STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

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| | General Information Report Time Period: From (mo./yr.) 104 To (mo./yr.) 12/04 S/227/093 |
| | Report Time Period: From (mo./yr.) 10 (mo./yr.) 10 (mo./yr.) 10 (mo./yr.) |
| | DOGM File Number (Mine No) Sal 109 1 |
| | |
| | Mineral(e) Mined (or permitted to imine): |
| | Underground value |
| | (I position of Lands Affected): 110 C110119 |
| | 1/4 Section (OWISHIP |
| | 1/4 Caction I OWNShip |
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| | VINITUD (RAIIS) CAR. |
| | Canat Address: 100 |
| | Remainent Street Address City, State, Zip: Beaver, UT 84713 City, State, Zip: Beaver, UT 84713 |
| | City, State, Zip: 56AVEL 0 B77 (435)438-2655 Phone: (435) 438-5522 Fax: (435)438-2655 |
| | Priority (or designated operator): |
| | |
| | Title: Owner/operator registered agent |
| | Business Address: Same as above |
| | |
| | City, State, Zip:Fax: |
| | Phone: Please check if any of the above information has changed since previous year. |
| | Please check if any of the anove interest and the second in the second i |
| I. | Mining and Reclamation |
| ٨. | Was there any mine related activity during the past year? Yes V No [] |
| | Was there any mine related activity during |
| | 2. If no - what was the last year of activity? 20 +0'05 |
| | 3. If yes - how much ore or mineral was mined? 20 70115 RECEIVED |
| | |
| | JAN 1 4 2005 |

| 4. | Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year. |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Normal mining operations, mine disturbant was minimal |
| | |
| 5. | How much additional acreage was disturbed during the past year? minimal acreage |
| 6 | How much acreage was reclaimed during the past year? |
| 7. | Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. |
| | |
| 8. | What is the total disturbed acreage of entire project at years end? (efer to BLM |
| 9. | Briefly summarize any mining and/or reclamation plans for the upcoming year. Reclamation: mining will be continuous |
| | |
| NOTE: Section | n III., "Additional Information" applies only to large mining operations. |
| III. <u>Additional</u> | Information - R647-4-121.2 and .3 |
| 1. | The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105. |
| 2. | The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request. |
| IV. <u>Signature</u> | Requirement |
| I here | by certify that the foregoing is true and correct. |
| | Name (Typed or Print): David Penney |
| | Title of Operator: Owner/operator registered agent |
| | Signature of Operator: |
| | Date: 1 - 12 - 05 |
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